

October 30, 2008

Mr. Barry Wood
Assessment Director
Department of Local Government Finance
100 N. Senate Ave., Rm N1058
Indianapolis, IN 46204

RE: Marshall County's Annual Trending Summary
2008 Pay 2009

Dear Barry,

Ratio Studies were performed on all 186 neighborhoods in Marshall County using sales from 2006 and 2007. We analyzed the results to determine which areas needed more concentration for this year. Land base rates were adjusted in one lake area where sales indicated a change was necessary. Trending factors were calculated and applied (to land and improvements) and the results were studied again for further analysis where required. All sold and unsold properties were treated equally and equitably. If there were no sales in a neighborhood, then it was compared to a similar neighborhood or an overall township trending factor was applied. The trending factors were applied to all properties within each neighborhood.

We continue to watch our appealed parcels from last year to identify any problem areas. The appraisals submitted as evidence with an appeal are being logged along with property listings. As we watch for changes in our market, we did a study of Sheriff Sales to see if they are concentrated in one area and again found them to be spotted throughout all townships. This was our third year for taxpayers to submit rental information (questionnaire and Sch. E from Federal Taxes). We have worked with owners of rental housing to establish our GRM and market rents in Marshall County.

Areas that required more concentration that were based on the results of the initial ratio studies are as follows:

- For 2007 Pay 2008, a reassessment was determined to be needed based on the number of appeals received in one small neighborhood (#200515, 34 parcels) in Center Township. Grades, vacancy factors, etc. were corrected for 2007, and the ratio study performed for 2008 Pay 2009 determined a 100% trending factor, resulting in no change in value.
- Developer's influence deductions were removed from vacant land parcels that have sold from the developer and the correct AV is shown in the residential vacant sales reports. Vacant land sales that are now improved are shown in the

reports by extracting the improvements, and we removed developer's influence to show assessment to be at market value.

- In Union Township, we have 6 neighborhoods of condominiums that are located around the Lake Maxinkuckee area. We performed a more in-depth analysis of these areas for 2008. Sales indicated a larger than normal factor was needed to bring the assessments more in line with the market.
- Mobile home values were changed according to the DLGF memo dated 1-9-2008. For 2008, mobiles that do not sit on a permanent foundation have had their assessment moved to a personal property tax bill, and those mobiles that are on a permanent foundation have had their values changed from NADA pricing to one-story frame construction pricing. You will see these value changes reflected from 2007 to 2008 in the equalization reports. For neighborhood #1700527, these homes lie in a unique area due to this being the only location where all mobile homes sit on a permanent foundation, the assessments changed to one-story frame construction, and then a ratio study determined a 90% trending factor on the updated improvement values was necessary to capture accurate values.
- It was discovered our data contained a number of parcels that had unadjusted completion factors stemming back to the time they were initially data collected. Those parcels were visited and the factors were adjusted accordingly with many of these properties now being assessed as 100% complete. Although this was not an integral part of completing this years trending, it is an issue that we became aware of through the annual adjustment process.

The following is an overview of the various classes of property and explanations to assist you in your review. The summary sheet shows the statistics for each township by property class.

Residential

Jellystone Campground is located in West Township. I have created an additional tab at the bottom of the excel report to show Jellystone stratified from West residential since we felt that these values should not be equalized with other West Township sales and have followed this same procedure in the past. The market values of these camping lots do not influence other West Township parcels and should stand on their own.

Green Township does not show any valid sales in our county, however, I am using 9 sales in Green residential improved that could have been valid sales. These sales were used to determine that a trending factor was necessary to bring our assessments closer to the market. These sales can be removed, but this information has proven that this area needed to have a trending factor applied to all parcels.

In Union Township, Culver Cove Condominiums use a 411 class code instead of a 550 class code like other condo developments in our county due to the use being more like a hotel.

Commercial Improved

Center, Union and German Townships all contained enough commercial sales to stand alone in the ratio study reports. Union Township had a base rate change in 2007, which has helped bring the assessments to fair and equitable values. Center and German Townships are the largest commercial areas in our county. All the other townships are equalized together by combining sales from Bourbon, North and Walnut. The remaining townships of Green, Polk, Tippecanoe and West do not contain any valid commercial improved sales.

Commercial Vacant

Due to a lack of commercial vacant sales across the county, we have combined all vacant commercial sales into a single ratio study report. In addition, we have reached beyond the recommended time period and time adjusted two 2005 vacant sales to further prove equity within the assessments. (Calculations can be seen at the red comment indicator within the sales price cell)

Industrial Improved

Center and German Townships each contained enough industrial improved sales to stand alone in the ratio study reports. The remaining townships were grouped together using sales from Bourbon, North, Walnut and West Townships. Townships of Green, Polk, Tippecanoe, and Union contained no valid industrial improved sales.

Industrial Vacant

There were insufficient industrial vacant land sales in Marshall County that were arms-length transactions to show in a ratio study. We applied trending factors to the vacant industrial parcels based on a countywide study of sales.

Sincerely,

Debbie Dunning
Marshall County Assessor
(574) 935-8576
debbied@co.marshall.in.us